



PUBLIC NOTICE

Federal Communications Commission
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NEW GLOBALSTAR CORPORATION SEEKS CONSENT TO ASSIGNMENT AND TRANSFER OF CONTROL OF LICENSES AND AUTHORIZATIONS HELD BY GLOBALSTAR, L.P. SUBSIDIARIES AND AFFILIATE

Pleading Cycle Established
IB Docket No. 03-136

Comments/Petitions Due: July 14, 2003

Responses/Oppositions to Petitions Due: July 24, 2003

THE TRANSACTION

On May 27, 2003, New Globalstar Corporation ("New Globalstar") filed five applications pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended (the "Act"), seeking Commission approval of the proposed assignment or transfer of control of certain Commission authorizations relating to the operation of the Globalstar mobile satellite service ("MSS") system, from Globalstar, L.P. ("GLP") or its affiliate, L/Q Licensee, Inc. ("LQL"), to New Globalstar (together with GLP and LQL, the "Applicants"), which will be majority-owned and controlled by ICO Global Communications (Holdings) Limited ("ICO"). The authorizations to be assigned or transferred include a non-common carrier space station license to operate an MSS system, eight non-common carrier earth station licenses, a common carrier blanket license for mobile earth terminals ("METs"), and three international Section 214 authorizations, all of which are held by GLP's subsidiaries or its affiliate, LQL. The Applicants request that the Commission grant the five applications on an expedited basis in order to maintain adequate funding for the continued operation of the Globalstar system and to facilitate the emergence of the system from bankruptcy. The Applicants also filed an amendment to a pending application of GLP for a space station license in the V-band to reflect the substitution of New Globalstar for GLP as the applicant, and request an exemption from Section 25.116(c) of the Commission rules in order to preserve the filing status of this pending application following consummation of the proposed transaction.

THE PARTIES

GLP manages the international MSS business for the Globalstar system and owns directly or through subsidiaries most of the facilities used in the business. GLP and three wholly owned subsidiaries filed for Chapter 11 bankruptcy protection on February 15, 2002. On April 25, 2003, the U.S. Bankruptcy Court in Delaware ("Bankruptcy Court") approved an investment transaction pursuant to which GLP's assets will be transferred to New Globalstar, which is a new newly formed Delaware corporation established to acquire GLP's assets and facilitate the emergence of the Globalstar system from bankruptcy.

Under the proposed transaction, ICO, a Delaware corporation, will own 54 percent of the equity interests and 80 percent of the voting interests in New Globalstar. GLP initially will own the remaining 46 percent of the equity interests and 20 percent of the voting interests in New Globalstar. GLP's ownership interests in New Globalstar ultimately will be distributed to the GLP creditors in proportion to the value of their allowed claims against the estate.

ICO, through a subsidiary, is authorized under U.K. law to construct, launch, and operate a 12-satellite, NGSO MSS system. In addition, ICO Satellite Services G.P., another ICO subsidiary, holds a letter of intent authorization from the Commission, reserving certain frequencies for the provision of MSS in the United States.

The Applicants state that the proposed transaction will offer substantial public benefits without creating any countervailing harms. Specifically, the Applicants assert that the proposed transaction will: (1) allow the Globalstar system to emerge from bankruptcy and facilitate productive use of assets that otherwise would become idle; (2) provide for an infusion of capital and stimulate additional investment in the Globalstar system; (3) foster vigorous MSS competition by bolstering the commercial viability of the Globalstar system; and (4) ensure the continued provision of Globalstar services, thus benefiting the public worldwide, particularly those in rural and underserved areas, who rely on the availability of MSS to provide telecommunications service and to facilitate emergency relief, humanitarian efforts, and economic assistance. The Applicants further maintain that the proposed transaction will not harm competition in any relevant market.

REQUEST FOR DECLARATORY RULING ALLOWING INDIRECT FOREIGN OWNERSHIP

The application for transfer of control of the common carrier blanket MET license held by Globalstar USA, LLC includes a request for declaratory ruling, pursuant to Section 310(b)(4) of the Act, that it will not serve the public interest to prohibit foreign investments in New Globalstar, the transferee, in excess of the statutory 25 percent foreign ownership benchmark. Such foreign investments would include foreign ownership interests held through ICO and GLP, as well as by foreign GLP creditors who will receive their ownership interests from GLP in proportion to the value of their allowed claims against the estate. The Applicants assert that, at the end of the first and second stage of the proposed transaction, foreign investors will hold more than 25 percent of the equity and voting interests in New Globalstar. The Applicants also state that the majority of those interests will be held by foreign investors with home markets in the United States or WTO Member countries. Foreign investors from non-WTO Member countries

will own less than 25 percent of the equity and voting interests in New Globalstar at the end of the second stage of the proposed transaction, according to the Applicants. The request for declaratory ruling under Section 310(b)(4) of the Act has been assigned File No. **ISP-PDR-20030527-00018**.

ASSIGNMENT AND TRANSFER OF CONTROL APPLICATIONS

Listed below is a non-exhaustive list of the authorizations and license applications involved in this transaction. Interested parties should refer to the applications filed in **IB Docket No. 03-136** for a complete listing of authorizations and license applications.

SECTION 310 APPLICATIONS

Part 25 - Satellite Services (Space Station)

The following application for consent for assignment of a space station license from LQL to New Globalstar has been filed and found, upon initial review, to be acceptable for filing:

<u>File No.</u>	<u>Licensee</u>	<u>Call Sign</u>
SAT-ASG-20030527-00095	L/Q Licensee, Inc.	S2115

Part 25 - Satellite Services (Earth Station)

The following applications for consent for transfer of control of eight earth station licenses and a blanket MET license from GLP to New Globalstar have been filed and found, upon initial review, to be acceptable for filing:

<u>File No.</u>	<u>Licensee</u>	<u>Call Sign</u>
SES-T/C-20030527-00700	Globalstar USA, LLC	E970199, E000342, E000343 E000344, E000345
SES-T/C-20030527-00701	Globalstar Caribbean Ltd.	E990335, E990336, E990337
SES-T/C-20030527-00699	Globalstar USA, LLC	E970381

INTERNATIONAL SECTION 214 APPLICATIONS

Part 63 - International Service

The applications listed below for consent to transfer control of international Section 214 authorizations from GLP to New Globalstar have been filed and found, upon initial review, to be acceptable for filing:

<u>File Number</u>	<u>Authorization Holder</u>	<u>Authorization</u>
ITC-T/C-20030529-00266	Globalstar USA, LLC	ITC-214-19990728-00484

Globalstar USA, LLC
Globalstar USA, LLC

ITC-214-19991229-00795
ITC-214-20000615-00356

AMENDMENT TO PENDING LICENSE APPLICATION

Part 25 - Satellite Services (Space Station)

The following amendment to the pending application of GLP for a space station license to reflect the substitution of New Globalstar for GLP as the applicant, following consummation of the proposed transaction, has been filed and found, upon initial review, to be acceptable for filing:

<u>File No.</u>	<u>Applicant</u>	<u>Call Sign</u>
SAT-AMD-20030527-00096	Globalstar, L.P.	S2295

GENERAL INFORMATION

The assignment and transfer of control applications identified herein have been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any assignment or transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Final action will not be taken on the applications earlier than 31 days following the date of this Public Notice. Interested parties may file comments or petitions to deny on or before July 14, 2003. Oppositions or responses may be filed no later than July 24, 2003. All filings concerning any or all matters in this Public Notice should refer to **IB Docket No. 03-136**.

Interested parties may file comments as indicated above and are encouraged to file comments using ECFS. See *Electronic Filing of Documents in Rulemaking Proceedings*, 63 Fed. Reg. 24,121 (1998). Comments filed through the ECFS can be sent as an electronic file via the Internet to <<http://www.fcc.gov/e-file/ecfs.html>>. Generally, only one copy of an electronic submission must be filed. In completing the transmittal screen, commenters should include their full name, Postal Service mailing address, and the applicable docket or rulemaking number. To receive filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov, and should include the following words in the body of the message, "get form <your e-mail address>." A sample form and directions will be sent in reply.

Parties submitting paper filings must file an original and four (4) copies of all pleadings, in accordance with Section 1.51(c) of the Commission's Rules, 47 C.F.R. § 1.51(c). Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail).

The Commission's contractor, Vistrionix, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal

Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

In addition, one copy of each pleading must be sent to each of the following:

The Commission's duplicating contractor, Qualex International, Portals II, 45 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; e-mail: qualexint@aol.com; facsimile: (202) 863-2898; phone: (202) 863-2893.

- (1) Breck Blalock, Policy Division, International Bureau; via e-mail: breck.blalock@fcc.gov, or by facsimile: (202) 418-2824.
- (2) Susan O'Connell, Policy Division, International Bureau; via e-mail: susan.oconnell@fcc.gov, or by facsimile: (202) 418-2824.
- (3) Stephen Duall, Satellite Division, International Bureau; via e-mail: stephen.duall@fcc.gov, or by facsimile: (202) 418-1414.
- (4) JoAnn Lucanik, Satellite Division, International Bureau; via e-mail: joann.lucanik@fcc.gov, or by facsimile: (202) 418-1414.
- (5) Neil Dellar, Transaction Team, Office of General Counsel; via e-mail: neil.dellar@fcc.gov, or by facsimile: (202) 418-7540.

Copies of the application and any subsequently-filed documents in this matter may be obtained from Qualex International, in person at 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, via telephone at (202) 863-2893, via facsimile at (202) 863-2898, or via e-mail at qualexint@aol.com. The applications and any associated documents are also available for public inspection and copying during normal reference room hours at the following Commission office: FCC Reference Information Center, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. The applications are also available electronically through the Commission's Electronic Comment Filing System (ECFS) and the International Bureau Electronic Filing System, which may be accessed on the Commission's Internet website at [<http://www.fcc.gov>](http://www.fcc.gov), and the FCC's Transaction Team website at [<http://www.fcc.gov/transaction>](http://www.fcc.gov/transaction).

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